

Message Text

LIMITED OFFICIAL USE

PAGE 01 SANTIAGO 07144 221546Z

42

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 INR-05 NSAE-00 PA-01

RSC-01 USIA-06 PRS-01 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 COME-00

HEW-02 SIL-01 LAB-01 IO-10 /077 W

----- 076134

R 221430Z NOV 74

FM AMEMBASSY SANTIAGO

TO SECSTATE WASHDC 1150

LIMITED OFFICIAL USE SANTIAGO 7144

EO 11652: N/A

TAGS: CI, ELAB, PINT, SOCI

SUBJECT: LEIGH ANNOUNCES COMING SOCIAL REFORMS

1. SUMMARY. JUNTA GENERAL (AIR FORCE) GUSTAVO LEIGH PROVIDED SOME INSIGHTS INTO FORTHCOMING NEW SOCIAL LAW AT NOV 20 SEMINAR OF CHRISTIAN EXECUTIVES SOCIAL UNION (USEC). HE URGED EMPLOYERS TO ACCEPT SOCIAL RESPONSIBILITY AND OUTLINED SOME PROVISIONS TO BE CONTAINED IN NEW SOCIAL DECREE (ESTATUTO SOCIAL DE LA EMPRESA) WHICH HE DESCRIBED AS COMPLETE EXCEPT FOR FINISHING TOUCHES. HE SAID FORTHCOMING UNION REORGANIZATION DECREE WOULD PERMIT RESTORATION COLLECTIVE BARGAINING. MINISTERS LENIZ AND DIAZ FOLLOWED LEIGH WITH MUCH OF SAME. PERFORMANCE LED FEW TO EXPECT IMMEDIATE ANNOUNCEMENT OF EITHER LABOR-MANAGEMENT OR SOCIAL SECURITY REFORM LAWS. END SUMMARY.

2. IN 35 MINUTE APPEARANCE BEFORE SEMINAR OF CHRISTIAN EXECUTIVES SOCIAL UNION (UNION SOCIAL DE EMPRESARIOS Y EJECUTIVOS CRISTIANOS (USEC) ON NOV 21, JUNTA MEMBER GENERAL GUSTAVO LEIGH REVEALED HIGHLIGHTS OF GOC'S FUTURE "SOCIAL LAW OF THE BUSINESS ENTERPRISE" (ESTATUTO SOCIAL DE LA EMPRESA) WHICH, HE SAID, IS ESSENTIALLY COMPLETED AND NEEDS ONLY FINAL POLISHING (AFINAMIENTO). HE DESCRIBED GOC'S EFFORT

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 SANTIAGO 07144 221546Z

IN DEVELOPING NEW LABOR CODE AS "ADVANCED," AND INDICATED BOTH

WOULD BE FORMALLY ANNOUNCED AT SOME TIME IN FUTURE, PROBABLY
ALONG WITH SOCIAL SECURITY REFORM.

3. AS HAS BEEN CASE IN SEVERAL OF HIS RECENT PUBLIC UTTERANCES,
LEIGH CHALLENGED EMPLOYERS TO ACCEPT SOCIAL RESPONSIBILITIES
TO WORKERS AND COUNTRY. "IT IS A MISTAKE TO BELIEVE THAT THE
BEGINNING OF THE DISINTEGRATION OF THE COUNTRY TOOK PLACE
DURING THE PREVIOUS ADMINISTRATION." THIS "TOOK PLACE MUCH
EARLIER -- AND WAS CAUSED BY THE LACK OF NATIONAL OBJECTIVES,
FOREIGN INFLUENCE, CLASS WARFARE, STATISM AND A LAMENTABLE
DISREGARD OF SOCIAL DEVELOPMENT."

4. HE SPOKE OF URGENT NEED FOR REFORM OF SOCIAL SECURITY,
CORRECTLY POINTING OUT THAT PREVIOUS GOVERNMENTS HAVE
PRODUCED "TONS OF PAPER" (ON SS REFORM) BUT ALL HAD REFUSED
TO "BELL THE CAT." ACCORDING TO LEIGH, "THIS GOVERNMENT IS
DOING IT."

5. HE SAID THAT THE NEW ESTATUTO SOCIAL DE LA EMPRESA WILL
CONTAIN PROVISION FOR WORKER PARTICIPATION IN THE MANAGEMENT
OF ENTERPRISE AND WILL OBLIGATE MANAGEMENT TO PUBLICLY
ACCOUNT FOR THEIR OPERATIONS. WORKER REPRESENTATIVES ON
MANAGEMENT COUNCILS WILL BE ELECTED AND PROTECTED FROM
DISMISSAL AS "UNION LEADERS NOW ARE." WORKERS WILL HAVE
ACCESS TO "DOCUMENTS AND PLANS" OF THEIR COMPANIES.

6. LEIGH SAID THAT A PERMANENT LABOR COMMISSION IS PRESENTLY
STUDYING THE FORM OF REORGANIZATION OF UNION ACTIVITIES AND
WOULD "SOON ANNOUNCE THE FIRST PART THROUGH WHICH THEY CAN
BEGIN COLLECTIVE BARGAINING TO RESOLVE CONFLICTS AND PROPOSE
SOLUTIONS TO OTHER LABOR PROBLEMS."

7. LEIGH WAS FOLLOWED BY LABOR MINISTER NICANOR DIAZ AND
MINISTER OF ECONOMY FERNANDO LENIZ. FORMER COMMENTED THAT
COMMUNISM IS NOT SPONTANEOUSLY GENERATED BUT AN ANSWER TO
DESPERATION OF VICTIMS OF PERMANENT SOCIAL INJUSTICE, DIAZ
CONTINUED LEIGH'S MILD CRITICISM OF EMPLOYER CLASS WITH
"--UNFORTUNATELY, ALL EMPLOYERS ARE NOT CHRISTIAN NOR CAN
ALL BE CALLED GOOD EMPLOYERS." LENIZ ELABORATED ON FORM OF
"WORKER PARTICIPATION" BY POINTING OUT THAT THE COUNCILS TO
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 SANTIA 07144 221546Z

WHICH WORKERS WILL BE ELECTED WILL HAVE NO POWER IN THE DIRECTION
OF ENTERPRISES "BUT THEIR OPINIONS SHOULD BE TAKEN INTO
ACCOUNT."

8. COMMENT. LEIGH'S PERFORMANCE AS REPORTED BY PRESS WAS
STRONG AND CRITICAL OF THOSE EMPLOYERS WITH LITTLE SOCIAL
CONSCIENCE. HIS REMARKS ON EARLY RESTORATION OF COLLECTIVE
BARGAINING

WILL HEARTEN LABOR, EVEN THOUGH HE FAILED TO
MENTION RESTORATION OF RIGHT TO STRIKE. MUCH OF WHAT WAS
SAID HAS BEEN SAID BEFORE BY LEIGH AND OTHERS. IF GOC WAS
SERIOUSLY ANNOUNCING MAJOR LABOR-MANAGEMENT AND SOCIAL
SECURITY REFORMS, IT COULD HAVE PICKED BETTER FORUM THAN
SEMINAR OF SUCH A MINOR ORGANIZATION AS USEC. WITH ILO
INVESTIGATING TEAM DUE TO ARRIVE IN LESS THAN 10 DAYS,
SPEECHES COULD WELL BE INTERPRETED AS ADDITIONAL WINDOW
DRESSING.
POPPER

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: JUNTA, GOVERNMENT REFORM, SOCIAL SERVICES, BUSINESS FIRMS
Control Number: n/a
Copy: SINGLE
Draft Date: 22 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CollinP0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974SANTIA07144
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740339-0487
From: SANTIAGO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741120/aaaaaqfs.tel
Line Count: 125
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CollinP0
Review Comment: n/a
Review Content Flags:
Review Date: 11 SEP 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 SEP 2002 by boyleja>; APPROVED <14 MAR 2003 by CollinP0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: LEIGH ANNOUNCES COMING SOCIAL REFORMS
TAGS: ELAB, PINT, SOCI, CI, (LEIGH, GUSTAVO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005